

**Asheville City Council Meeting Minutes
Tuesday – March 13, 2007 - 5:00 p.m.**

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Diana Hollis Jones; Councilwoman Robin L. Cape; Councilman Jan B. Davis; Councilman Bryan E. Freeborn; Councilman R. Carl Mumpower; Councilman Brownie W. Newman; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Keisha Lipe

Absent: None

PLEDGE OF ALLEGIANCE

Various Girl Scouts from different troops led City Council in the Pledge of Allegiance, as this was National Girl Scout Week.

INVOCATION

Councilwoman Cape gave the invocation.

I. PROCLAMATIONS:

A. UNC-ASHEVILLE WOMEN'S BASKETBALL TEAM

Mayor Bellamy was pleased to recognize the UNC-Asheville's Women's Basketball Team and Head Coach Betsy Blose, with her assistants, as winners of the Big South Conference.

B. PROCLAMATION PROCLAIMING MARCH 17, 2007, AS "NATIONAL QUILTING DAY"

Mayor Bellamy read the proclamation proclaiming March 17, 2007, as "National Quilting Day" in the City of Asheville. She presented the proclamation to Ms. Ellen Levin, President of the Asheville Quilting Guild, who briefed City Council on some activities taking place during the day.

II. CONSENT AGENDA:

At the request of Councilman Mumpower, Consent Agenda Item "M" was removed from the Consent Agenda for an individual vote.

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 27, 2007

B. RESOLUTION NO. 07-63 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A NON-MATCHING GRANT FROM THE NC DEPT. OF CRIME CONTROL AND PUBLIC SAFETY FOR THE PURCHASE OF PORTABLE EMERGENCY RADIOS FOR THE ASHEVILLE FIRE DEPARTMENT

Summary: The consideration of a resolution authorizing the City Manager to accept a non-matching grant from the N.C. Dept. of Crime Control and Public Safety for the purchase of portable emergency radios for Asheville Fire and Rescue and the associated budget amendment, in the amount of \$29,607, to receive grant money.

The City of Asheville Fire and Rescue Department was awarded \$29,607 from the Fiscal Year 2006 State Homeland Security Grant Program for 800MHz emergency communication equipment. This grant is provided for through funding available for interoperable communications

and will be used for the procurement of six (6) portable radios to be used by Asheville firefighters. This radio equipment will be used every day by Asheville firefighters on emergencies occurring in Asheville. Were it not for the grant award, the department would need to provide the emergency radio equipment through general fund dollars. Asheville was awarded this non-matching grant funding because we are a North Carolina Voice Interoperability Plan for Emergency Responders (VIPER) participating partner municipality. The VIPER program is working with municipalities across the state to increase interoperable emergency communications between North Carolina cities and counties.

PROS:

- The State Homeland Security Grant Program is funding 100% (\$29,607) of the costs of the radios, with no city match.
- Increased firefighter safety through the use of modern equipment that represents newer digital technology.
- The radios will replace obsolete equipment no longer supported for service or parts.
- The radios will provide equipment used on a daily basis on Asheville's 800MHz radio system.
- The radios are compatible with the state-wide communications system known as VIPER.
- The radios will allow personnel to communicate directly with mutual aid departments and with fire and other public safety agencies across the state if needed.
- Asheville Fire Rescue will be able to work more effectively with a variety of public safety agencies from across the state (in addition to other fire departments).

CON:

- None identified at this time.

City staff recommends City Council approve a resolution authorizing the City Manager to accept a non-matching grant from the North Carolina Department of Crime Control and Public Safety for the purchase of portable emergency radios for Asheville Fire and Rescue and the associated budget amendment, in the amount of \$29,607, to receive grant money.

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C. ORDINANCE NO. 3447 - BUDGET AMENDMENT TO RECEIVE NC DEPT. OF CRIME CONTROL AND PUBLIC SAFETY GRANT FOR THE PURCHASE OF PORTABLE EMERGENCY RADIOS FOR THE ASHEVILLE FIRE DEPARTMENT

Summary: See Consent Agenda Item "B" above.

ORDINANCE BOOK NO. 23 - PAGE

D. RESOLUTION NO. 07-64 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A NON-MATCHING GRANT FROM THE N.C. DEPT. OF CRIME CONTROL AND PUBLIC SAFETY DIVISION OF EMERGENCY MANAGEMENT FOR THE PURCHASE OF EQUIPMENT TO BE USED BY HAZARDOUS MATERIALS REGIONAL RESPONSE TEAM 6

Summary: The consideration of a resolution authorizing the City Manager to accept a non-matching grant from the N.C. Dept. of Crime Control and Public Safety Division of Emergency Management for the purchase of equipment to be used by Hazardous Materials Regional Response Team 6 and the associated budget amendment, in the amount of \$192,858, to receive grant money.

The U.S. Department of Homeland Security and the Office of Domestic Preparedness has made funds available through the State Homeland Security Grant Number: FY2006-GE-T6-0010 to implement the State Homeland Security Strategy. The strategy identifies the NC Hazardous Materials Regional Response Teams (RRTs) as an integral component of North Carolina's preparation and response to manmade and natural emergencies and disasters.

There are seven Regional Response Teams (RRTs) strategically located throughout the state. Asheville Fire and Rescue hosts one of the seven state funded teams - RRT 6. The team responds to hazardous materials incidents in the 20 westernmost counties of North Carolina.

Each of the seven RRTs will receive an equal amount of non-matching funding and each will procure comparable equipment. The equipment consists of updated detection and monitoring instruments, personal protective equipment, self contained breathing apparatus and mitigation materials required to lessen the affects of terrorist's attacks and hazardous materials incidents.

The grant is non-matching and all equipment provided through this grant will become the property of the City of Asheville.

PROS:

- The Department of Crime Control and Public Safety, Division of Emergency Management, will provide \$192,858 in non-matching funds for the purpose of upgrading Asheville and Western North Carolina's terrorism response capabilities.
- The equipment is state of the art and will address the risk of terrorist's attacks and hazardous materials incidents.
- All statewide regional response teams will be comparably equipped and interoperability will be realized should an event require the resources of additional teams.
- This equipment is immediately available to Asheville residents and businesses. This level of equipment would most likely not be able to be obtained through the city's general budget process.
- Firefighter and citizen safety will be enhanced.

CONS:

- The City of Asheville will be responsible for maintenance and upkeep of the equipment.

City staff recommends that City Council approve a resolution authorizing the City Manager to accept a non-matching grant from the North Carolina Department of Crime Control and Public Safety Division of Emergency Manager for the purchase of equipment to be used by Hazardous Materials Regional Response Team 6 and the associated budget amendment, in the amount of \$192,858, to receive grant money.

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- E. ORDINANCE NO. 3448 - BUDGET AMENDMENT TO RECEIVE N.C. DEPT. OF CRIME CONTROL AND PUBLIC SAFETY DIVISION EMERGENCY MANAGEMENT GRANT FOR PURCHASE OF EQUIPMENT TO BE USED BY HAZARDOUS MATERIALS REGIONAL RESPONSE TEAM 6**

Summary: See Consent Agenda Item "D" above.

ORDINANCE BOOK NO. 23 - PAGE

- F. RESOLUTION NO. 07-65 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SUB-RECIPIENT AND SUB-ALLOCATION AGREEMENT WITH HENDERSON COUNTY FOR FEDERAL TRANSIT FUNDS**

Summary: The consideration of a resolution authorizing the City Manager to execute a Sub-Recipient and Sub-Allocation Agreement with Henderson County for federal transit funds.

The Federal Transit Administration (FTA) encourages federal transit funding through a regional approach. Following the 2000 U.S. Decennial Census, showing the County of Buncombe with a population over 200,000, FTA designated Asheville as an Urbanized Area for regional funding (AUZA). Currently, there are only two transit systems within the AUZA authorized to apply for federal transit program funds, Asheville Transit and Henderson County Transit. The City of Asheville is the Designated Recipient for the AUZA and the only entity within the AUZA eligible for direct federal transit funding. As a part of the regional approach, FTA discourages having more than one Designated Recipient per region. In order for a transit system such as Henderson County to continue to receive federal transit funding under the regional approach, application to FTA must be made through the Designated Recipient. FTA further requires that the Designated Recipient enter into sub-recipient/sub-allocation agreements with those transit systems within the AUZA not otherwise eligible to make direct application to FTA for transit funding, to include Henderson County.

The purpose of the Sub-Recipient Agreement is to assure FTA that the Designated Recipient and the Sub-Recipient are aware of the conditions of federal transit funding and agree to such conditions, such as providing public notice, engaging in competitive bidding, providing assurances and certifications of non-collusion and lobbying, etc. The purpose of the Sub-Allocation Agreement is to provide for a fair and rational distribution of regional federal transit funding through a formula, (i.e. population, population density and system performance characteristics), which must be approved as being a fair and rational distribution by the AUZA's Planning Organization, which is the French Broad River Metropolitan Planning Organization. Henderson County has signed both Agreements.

This conforms with the City Development 2025 Plan in Goal VI: Develop a transit system that is capable of meeting the needs of all residents of and visitors to the region.

This action conforms to the Strategic Operating Plan in Strategic Plan Section on Planning, Goal 2: Objective B, by creating a partnership between ATS and Henderson County and to mitigate congestion and improve air quality.

Pro: Region conforms to federal requirements and enjoys continued transit connection between Henderson County and Asheville.

Cons: None.

City staff recommends adoption of a resolution authorizing the City Manager to execute a Sub-Recipient and Sub-Allocation Agreement with Henderson County for federal transit funds.

RESOLUTION BOOK NO. 30 - PAGE

G. RESOLUTION NO. 07-66- RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HENDERSON COUNTY TO LEASE TWO 20-PASSENGER BUSES

Summary: The consideration of a Resolution authorizing the City Manager to sign a Lease Agreement with Henderson County for two 2006 City Transit Buses.

The Asheville Transit System recently took delivery of five new buses, two of which are the smaller 20 passenger buses. The transit system however, has grown more rapidly than anticipated, thereby dispensing with any further need for the two smaller 20 passenger buses. Due to the rapid transit growth and the receipt of the new buses, the City has four more buses

than authorized by federal rules. Federal rules base the number of allowable buses on the peak service routes. Consequently, four buses must be disposed of or reallocated regionally. Henderson County is a three route transit system and in dire need of two new buses. With federal and state funding, the City paid a little over \$13,000 for the two smaller 2006 buses, which buses were delivered on May 25, 2006. Although federal rules will permit Henderson County to purchase the City's surplus 2 smaller buses, Henderson County does not have sufficient capital funds for such a purchase. Federal rules frown upon the City leasing the buses to Henderson County, a member of the UZA, for any amount in excess of the depreciated value of the buses. The depreciated value of the two smaller transit buses over a five year period is approximately \$6,000 per bus for a total of \$12,000. At the end of five years, maximum depreciation is realized. Staff recommends leasing the two smaller surplus transit buses to Henderson County for five years, receiving the entire depreciated value of \$12,000 for the first year and thereafter, for the four remaining years at \$1.00 per year. What happens to the buses at the end of the five year lease will become part of the Lease Agreement.

This action conforms with the City Development 2025 Plan in Goal VI: Develop a transit system that is capable of meeting the needs of all residents of and visitors to the region.

This action conforms to the Strategic Operating Plan in the Strategic Plan Section on Planning, Goal 2, Objective A, Creating a Multi-modal Transportation System, leveraging outside funding sources; and Objective B, by creating a partnership between ATS and Henderson County and to mitigate congestion and improve air quality.

Pro: Increased mobility for Asheville residents by placing additional seats in the active fleet.

Cons: None.

City staff recommends adoption of the resolution authorizing the City Manager to enter into an Agreement for the lease by Henderson County of two surplus City of Asheville Transit Buses.

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H. RESOLUTION NO. 07-67 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT GRANT FUNDS FROM THE TARGET CORPORATION TO ASSIST THE ASHEVILLE POLICE DEPARTMENT IN THE PURCHASE OF HANDHELD RADIO EAR PIECES

Summary: The consideration of a resolution authorizing the City Manager to accept grant funds, in the amount of \$1,000, from the Target Corporation to assist the Asheville Police Department in the purchase of handheld radio ear pieces and associated budget amendment to receive grant money.

The Asheville Police Department has been awarded \$1,000 from the Target Corporation for the purchase of radio ear pieces for police officer's handheld radios. There is no match involved in this grant.

This action conforms to the Asheville City Council's Goals and Vision in the Priority Area of Critical Services and Infrastructure by improving and enhancing basic city services.

Pro:

- Provide officers with handheld radio ear pieces so that they can conduct their patrol business in a safer and more effective manner.

Con: None noted.

City staff recommends City Council approve a resolution authorizing the City Manager to accept grant funds, in the amount of \$1,000, from the Target Corporation to assist the Asheville Police Department in the purchase of handheld radio ear pieces and associated budget amendment to receive grant money.

RESOLUTION BOOK NO. 30 - PAGE

I. ORDINANCE NO. 3449 - BUDGET AMENDMENT TO RECEIVE GRANT FUNDS FROM THE TARGET CORPORATION TO ASSIST THE ASHEVILLE POLICE DEPARTMENT IN THE PURCHASE OF HANDHELD RADIO EAR PIECES

Summary: See Consent Agenda Item "H" above.

ORDINANCE BOOK NO. 23 - PAGE

J. RESOLUTION NO. 07-68 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE N.C. DEPT. OF TRANSPORTATION TO INSTALL EMERGENCY SIGNAL CONTROLS BETWEEN FIRE STATION 11 AND THE INTERSECTION OF BREVARD ROAD AND ROCKY RIDGE ROAD

Summary: The consideration of a resolution authorizing the City Manager to enter into an agreement with the N.C. Dept. of Transportation (NCDOT) to install emergency signal controls between Fire Station 11 and the intersection of Brevard Road and Rocky Ridge Road.

The City of Asheville Fire and Rescue Department will be operating Fire Station 11 in July, 2007. Traffic signals located adjacent to fire stations are equipped with emergency signal control to better enable emergency equipment to safely travel through signaled intersections. This request is the format required by NCDOT. The work will total \$4,000.00.

PROS:

- The signal control will aid Asheville Fire and Rescue in navigating the intersection of Brevard Road and Rocky Ridge Road on emergency responses.
- The signal control system has the concurrence by the city's traffic engineer.
- Funding for this project has already been approved in the city's budget.

CONS:

- None identified at this time.

City staff recommends City Council approve a resolution authorizing the City Manager to enter into an agreement with the NCDOT to install emergency signal controls between Fire Station 11 and the intersection of Brevard Road and Rocky Ridge Road.

RESOLUTION BOOK NO. 30 - PAGE

K. ORDINANCE NO. 3450 - BUDGET AMENDMENT FOR THE ACQUISITION OF A DRIVEWAY EASEMENT TO PROVIDE ACCESS TO A SIGNALIZED INTERSECTION FOR CITY-OWNED PROPERTY ON AIRPORT ROAD

Summary: The consideration of a budget ordinance amendment, in the amount of \$250,000, for the acquisition of a driveway easement to provide access to a signaled intersection for City owned property on Airport Road.

This budget amendment authorizes funding for the purchase of a driveway easement over property owned by Hankins Properties LLC adjoining City owned property at 550 Airport Road. The purpose of the easement is to provide a connection between the City's property and Rockwood Road in order to allow ingress and egress from the City's property to Airport Road via the signaled intersection of Airport Road and Rockwood Road. The objectives would be to address a safety issue; to enhance the value of the City's property for sale; and to facilitate future development on the site. Acquisition of the easement was approved by City Council in closed session on February 20, 2007. The purchase price of the easement is \$250,000. This amendment is to formally appropriate the funding for the project. Staff recommends that \$250,000 be appropriated from the City's fund balance for this project.

City staff recommends City Council approve the budget ordinance amendment, in the amount of 250,000, for the acquisition of a driveway easement to provide access to a signaled intersection for City owned property on Airport Road.

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L. RESOLUTION NO. 07-69- RESOLUTION APPROVING LOCAL ALCOHOLIC BEVERAGE CONTROL BOARD PROPOSAL TO USE PROCEEDS FROM REAL PROPERTY SALES FOR CAPITAL PROJECT

Summary: The consideration of a resolution approving Local ABC board proposal to use proceeds from real property sales for capital projects

At Council's February 13, 2007, meeting Local ABC Board Chair Charles Worley gave a report to Council on the Local ABC board's activities and its capital improvements plans.

At the close of the presentation, Mr. Worley was asked what action might be needed from the City to help with the Board's plans. Mr. Worley responded that the Board would like to use the proceeds from the sale of two of its properties (Biltmore and Tunnel Road) for acquisition and construction of new facilities and expansion of existing facilities. Ordinarily, the proceeds from the sale of ABC properties would be treated as program income, with certain percentages earmarked for certain purposes. Mr. Worley indicated that, with Council approval, all of the proceeds could be used for the planned capital improvements, and he was requesting such approval.

Pro: Allows for quicker completion of needed capital improvements.

Con: Slight decrease in percentage of revenue available for other ABC purposes.

If Council approves of the ABC Board's request, as communicated in the report by Mr. Worley, adoption of the resolution is recommended.

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M. RESOLUTION APPROVING AN UNDERWRITING TEAM AND GRANTING APPROVAL TO FILE A WATER SYSTEM REVENUE BOND APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION

This item was removed from the Consent Agenda for an individual vote.

Mayor Bellamy said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Vice-Mayor Jones moved for the adoption of the Consent Agenda. This motion was seconded by Councilman Freeborn and carried unanimously.

ITEMS PULLED FROM THE CONSENT AGENDA FOR INDIVIDUAL VOTES

RESOLUTION NO. 07-70 - RESOLUTION APPROVING AN UNDERWRITING TEAM AND GRANTING APPROVAL TO FILE A WATER SYSTEM REVENUE BOND APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION

Summary: The consideration of a resolution approving an underwriting team and granting approval to file a water revenue bond application with the Local Government Commission.

On January 9, 2007, City Council gave staff direction to pursue a \$35 million water revenue bond issue to improve the City's water system. In order to officially begin the process for a water revenue bond issue, City Council must adopt a resolution giving staff approval to apply to the Local Government Commission (LGC).

Specifically, the resolution provides for the issuance of \$35,000,000 in bonds to finance the cost of the water system projects plus an additional \$5,000,000 amount to 1) pay capitalized interest during construction of the projects, 2) fund a reserve fund for the Bonds if necessary, 3) pay for the cost of bond insurance if necessary and 4) pay underwriter's discount and other cost of issuing the bonds.

The resolution also appoints bond counsel, underwriter's, underwriter's counsel and the trustee and escrow agent for the Bonds; directs the Chief Financial Officer to file an application with the LGC for approval of issue of the bonds; and acknowledges that the City Council has determined that the issuance of bonds to improve the water system is necessary and expedient.

City staff recommends City Council approve a resolution approving an underwriting team and granting approval to file a water revenue bond application with the Local Government Commission.

Councilman Mumpower personally didn't feel we should be borrowing money until our legal challenges regarding the Sullivan Act are resolved.

Chief Financial Officer Ben Durant responded to Councilman Davis regarding the \$5,000,000 amount.

In response to Mayor Bellamy, Mr. Durant said that the debt follows the ownership of the water system.

Councilman Davis moved to approve Resolution No. 07-70. This motion was seconded by Councilman Newman and carried on a 6-1 vote, with Councilman Mumpower voting "no."

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III. PRESENTATIONS & REPORTS:

A. PROPOSAL FOR CREATING BEAUCATCHER OVERLOOK PARK

Ms. Maggie Clancy, Project Manager with the Trust for Public Land (TPL), said that the TPL conserves land for people to enjoy as parks, gardens, and other natural places, ensuring

living communities for generations to come. Since 1972, the TPL has completed more than 3,300 projects; conserved more than 2.2 million acres, from wilderness areas to city parks; and helped generate more than \$109 Billion of state and local conservation funding.

The TPL helps public agencies and communities to create a vision for conservation, raise funds for conservation, and complete complex conservation real estate transactions. She gave examples of TPL in North Carolina. TPL's partnership in parks in Asheville include: Beaver Lake Audubon Sanctuary, Reed Creek Greenway, Greenways Master Plan, Jake Rusher Park, and Beaucatcher Overlook Park. Working with communities across America, TPL believes that connecting people to land is key to create livable communities and a healthy environment.

Mr. Scott Riviere, volunteer co-chair for fundraising for acquiring the Greenberg property, explained the vision of Beaucatcher Overlook Park. Creating an overlook park is an idea that has been talked about for years in Asheville. The availability of the Greenberg tract, 30 acres of woodland covering the slope of Beaucatcher Mountain, is serving as a catalyst to revive the Overlook Park vision. The tract, behind McCormick Field, is a green backdrop to the City. The view of the wooded slope is visible from nearly everywhere in downtown Asheville. The need for action is urgent. The landowner has generously offered to sell the wooded mountainside tract for a park. However, the landowner has set firm and relatively quick timeline for action. The option of the property now held by the TPL expires on March 31, 2007. If the land is not quickly acquired, it will be developed with high-end housing. This is our last chance to protect a sizable green space in the City of Asheville.

The site is perfectly situated to be the centerpiece of a new vision for the area around McCormick Field and Beaucatcher Mountain. The Greenberg tract is surrounded by another 30 acres of City-owned land, including the baseball field, Memorial Stadium, and about 10 acres of vacant land behind them. The City is considering buying McCormick Heights public housing project, and redeveloping this as affordable housing. The Greenberg tract is right below White Fawn Reservoir, which is also owned by the City. The Parks & Recreation Master Plan proposed a "Sister Cities Park" to be located on the site of the reservoir, and that site can be easily connected to the Greenberg tract. The Greenways Master Plan shows a connector greenway extending from downtown through the Greenberg tract and up to the Beaucatcher Mountain ridgeline, and extending all the way to the I-240 cut.

The purchasing of the Greenberg tract will establish a natural park, within walking distance of downtown Asheville, the surrounding neighborhoods of the White Fawn, East End, and Kenilworth and Mission Hospital, and on a city bus line. It is easily accessible to the residents of Buncombe County and visitors to Asheville. It will become an oasis of green in Asheville, offering opportunities for walking, bicycling, picnicking, and quiet experience of nature. The park will add to the offerings of arts and entertainment, dining, shopping, and the unique Asheville culture that attracts people from all over the world.

The establishment of the Park will take place in three phases: acquiring the Greenberg tract; further planning of the Park's proposed amenities; and the development of the Park and surrounding areas.

Regarding acquiring the Greenberg tract, Councilwoman Cape and community members contact the TPL to help acquire the Greenberg tract when they heard that the landowner wanted to develop the land.

Ms. Clancy said that the tract is now under option to TPL, but that option expires March 31, 2007. The landowner will give us time to work out the financial details; however, we need the commitment of the City, county and private donors to complete the acquisition and place the tract in public hands.

The cost of the property is \$2.6 Million. The fair market value, established by an independent appraisal, is just above \$2.6 Million. If developed for single-family homes under the current City guidelines, the value increases to about \$7 Million in today's market.

Given the short timeline of the option, we put together a funding plan that shares the financial responsibility among five partners: TPL (Jake Rusher Bequest) - \$375,000 (available); State of North Carolina (Parks & Recreation Trust Fund) - \$500,000 (apply January 2008); private donors - \$575,000 (by March 31, 2007); City of Asheville - \$575,000 (by March 31, 2007); and Buncombe County - \$575,000 (by March 31, 2007).

After we receive financial commitments from the private donors, the City and the County, TPL will acquire the tract from the landowner. TPL will then transfer the deed to the public agency that will hold it, and enter into a 3-year lease/purchase agreement with the public agencies. The cost to the City would be dependent on the terms of the lease/purchase (how much is paid down, the interest rate, etc.).

Regarding the private and public commitments, we are actively raising funds from the community. We are confident that we will meet the goal of \$575,000 by March 31, and we will not stop fundraising when we reach the interim goal. Also, we are exploring funding sources for the planning and development phases of the Park.

We have received endorsements for the Overlook Park vision and acquiring the Greenberg tract from the City's Parks & Recreation Advisory Board, the Greenway Commission, the Parks & Greenway Foundation, and Quality Forward.

The City and the Buncombe County commitments are necessary to make this Park a reality. We are presenting the Overlook Park to the Buncombe County Commissioners on March 20, 2007, and will be asking the County to commit to their share.

We are now asking the City for three actions: (1) authorize the purchase of the Greenberg tract; (2) commit funds for the City's contribution to the purchase price; and (3) work with TPL and Buncombe County on the details on the lease/purchase agreement.

Councilwoman Cape highlighted that this request came so close to the time with the option will expire because of the difficulty of getting the items on the agenda due to the fullness of the schedule. Mayor Bellamy reminded Council of the process of getting items on the agenda, and asked City Clerk Lipe to provide all Council members with this year's request.

Vice-Mayor Jones was pleased that the private donation portion has been met. She thanked Councilwoman Cape, for her work with this project, and the many other people who have contributed their time and energy into this project.

Councilman Mumpower asked that City staff also provide Council with information about the development and maintenance of the property as well.

It was the consensus of Council to bring this matter back to Council next week in order to give staff the opportunity to look at requested actions.

B. LIVING WAGE DISCUSSION

Mr. Isaac Coleman presented the Asheville/Buncombe Living Wage Campaign's Living Wage Proposal for the City of Asheville. Using a chart, he showed the share of the national income from 1975 to 2005.

The big picture is (1) if 1968's minimum wage was adjusted for inflation, it would be over \$9.00 today; (2) real wages of non-management employees in the United States are 10% below their level in the early 1970's; and (3) since the early 1990s, over 140 cities and counties have passed a Living Wage Ordinance.

A Living Wage is based on information about what it costs to afford basic necessities in a particular geographic area. Local Living Wage policies and programs can begin to address the dramatic erosion of wage value for low-income workers over the last 30 years.

A Living Wage ordinance will (1) require the City of Asheville to pay City employees a Living Wage; and (2) prevent the future erosion of this wage value by committing to annual cost-of-living increases. It is also recommended that the payment of a Living Wage be considered in the City's contract bidding process.

A Living Wage will not (1) change the minimum wage in Asheville; (2) require private businesses to increase wages as participation will be voluntary; (3) eradicate poverty in Asheville; and (4) change Asheville's present budget.

A representative of the Affordable Housing Coalition said that living wages in Asheville will also (1) increase self-sufficiency for low-income workers; (2) promote the dignity of work; (3) allow workers to live in the communities they serve; (4) provide employers with useful information about adequate wage compensation in Asheville; and (5) strengthen businesses.

Asheville's living wage is \$10.86 per hour without health insurance and \$9.50 per hour with health insurance. These figures are based on what it costs for an individual to live in Asheville.

These figures were arrived at by (1) when an individual or family pays more than 30% of income in housing, it becomes difficult to meet other basic needs; (2) fair market rent for a one-bedroom apartment in the Asheville Metropolitan Statistical Area for 2007 is \$543 a month; (3) an individual would have to earn at least \$1,810 a month, or \$21,720 a year, to afford a one-bedroom apartment in the City of Asheville; (4) dividing \$21,720 by 2000 hours of work in a year, an individual working full-time would need to make \$10.86 an hour; and (5) the \$9.50 health care wage level simply acknowledges the high cost of this benefit for employers.

Mr. Mark Siler, one of the coordinators of the Asheville/Buncombe Living Wage Campaign, said that the real impact of an Asheville Living Wage will come as Asheville businesses take steps toward paying a Living Wage. We estimate that 25% of the jobs in Buncombe County do not pay this Living Wage. Many of these jobs are concentrated in Asheville's tourist economy (retail/sales, cashiers, food preparers/servers, hospitality).

The Campaign's next steps are to (1) create a Living Wage Business Certification Program (a) encourage business participation; and (b) educate consumers and increase revenue for Living Wage businesses; and (2) explore the possibility of creating tax incentives for Living Wage businesses.

Mayor Bellamy said that staff has requested Council continue this matter until April in order to give them time to do due diligence on this matter.

Councilman Mumpower said that since there has been this advocacy presentation on this, he wondered if Council would have access to the information from the dramatic other side, or should Council pursue that on their own. He felt this is a highly socialistic initiative and for Council to not have some exposure to the potential damaging side of this equation would be in error. Mayor Bellamy responded that staff will list the pros and cons and provide Council with the raw data. It will be up to Council to interpret that data. In addition, City Manager Jackson said that staff will provide Council with the pros and cons drawn from other communities in order to

provide factual information to Council. Staff will be prepared to speak on the action steps requested.

Councilman Mumpower said that he didn't care if staff, or an opposing group, makes the opposition presentation, but if neither of them do, then he would take it upon himself to undertake that initiative. Mayor Bellamy said that if staff does not hear from an organized opposition prior to two weeks of the scheduled presentation on this issue in April, City Clerk Lipe will contact Councilman Mumpower in order for him to make that presentation.

The following items were additional information requests when this matter is brought back to Council: additional information on the contract bidding process; would the City still contract with those companies who do not pay a living wage; what is the Chamber of Commerce's and other businesses and business organizations' position on this issue; and benchmark information from other cities who have living wage ordinances.

Mayor Bellamy asked that if City Council has any other informational requests they would like for staff to research on this issue, please send them to City Manager Jackson by March 20, 2007, in order to allow staff a reasonable time within which to gather input.

It was the consensus of Council to continue this discussion until April in order to give staff time to do due diligence on this matter.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING FOR PROPERTY LOCATED AT 47 RUTHERFORD ROAD FROM COMMUNITY BUSINESS II DISTRICT TO LIGHT INDUSTRIAL DISTRICT/CONDITIONAL ZONING IN ORDER TO ESTABLISH A CONFORMING OFFICE/WAREHOUSE USE WITH OUTDOOR STORAGE

Urban Planner Blake Esselstyn said that a letter has been received from Mr. Gerald Green, representing David Sweatt, owner of SigNet Real Estate, LLC, requesting this public hearing be continued to April 17, 2007, in order to allow them more time to meet with the Planning Department staff to address issues identified in the staff report, which they received Friday, March 9, 2007. Therefore, Councilman Mumpower moved to continue this public hearing until April 17, 2007. This motion was seconded by Councilman Davis and carried unanimously.

Councilwoman Cape requested additional information on when the property was zoned as part of the extension of the extraterritorial jurisdiction area.

B. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE RELATING TO REVISIONS TO THE ADJUSTMENTS TO ENFORCEMENT PROCEDURES

At City staff's request, Councilman Mumpower moved to continue this public hearing until April 10, 2007. This motion was seconded by Vice-Mayor Jones and carried unanimously.

V. UNFINISHED BUSINESS:

A. PUBLIC HEARING TO CONSIDER A CONDITIONAL USE PERMIT FOR NORTH VIEW AT BILTMORE LAKE PHASE II ON ENKA LAKE ROAD FOR 257 RESIDENTIAL MULTI-FAMILY UNITS

ORDINANCE NO. 3451 - ORDINANCE GRANTING A CONDITIONAL USE PERMIT FOR NORTH VIEW AT BILTMORE LAKE PHASE II ON ENKA LAKE ROAD FOR 257 RESIDENTIAL MULTI-FAMILY UNITS

Mayor Bellamy said that this public hearing was held on February 27, 2007, and continued to allow time for staff to address one concern, being whether annexation could be induced as a condition of zoning.

City Attorney Oast said that he researched the issue and it was his opinion that it would be inappropriate to require voluntary annexation as a condition of a conditional use permit, at least in this circumstance.

Councilman Newman moved to grant a conditional use permit for the proposed Master Plan for North View at Biltmore Lake Phase II on Enka Lake Road for 257 residential multi-family units on 33 acres (noting that the request is reasonable based on information provided in the staff report), subject to the conditions recommended by City staff and the following standard conditions: (1) The project shall comply with all conditions outlined in the TRC staff report; (2) All site lighting must comply with the City's Lighting Ordinance and be equipped with 90 degree cut-off fixtures and directed away from adjoining properties and streets; (3) All existing vegetation that is to be preserved must be clearly indicated and dimensioned on the site, landscape and grading plans and substantially agree with the plan presented to City Council; (4) The developer shall provide an urban level of public safety service for the development; (5) The building design, construction materials and orientation on site must comply with the conceptual site plan and building elevations presented with this application. Any deviation from these plans may result in reconsideration of the project by the reviewing boards; and (6) This project will undergo final review by the TRC prior to issuance of any required permits. This motion was seconded by Councilman Mumpower and carried on a 6-1 vote, with Councilman Freeborn voting "no."

ORDINANCE BOOK NO. 23 - PAGE

B. RACE TRACK DISCUSSION

Councilman Davis said that this issue came up at City Council's retreat and three Council Members were interested in looking at the potential development of a race track at the Asheville Airport property that is in the floodplain. Since then, there has been a lot of community interest in this issue. They have asked staff to do a little work on that issue.

He said that staff has reviewed property at the Asheville Regional Airport. Almost the entire parcel is within the regulated floodway, which is the more restrictive of the flood zones. For development to occur in the floodway, the following steps would need to occur:

1. A *No Impact Study* is required. For this type of development, it may be difficult to achieve *No Impact Status*, meaning that the development would not trigger a change in the base flood elevation.
2. If change occurs due to development, that would trigger the requirements of a Letter of Map Revision process (LOMR). The LOMR work would be sent to the state's Floodplain Management branch for review and approval. Approximate turnaround time: Four months. Approximate cost: \$30,000.

He said that staff feels that since the land availability for development is significant, it may be easier to design a project to mitigate any loss of potential storage volumes due to added fill and structures (i.e. excavation in some areas). In looking at the mapping, the floodplain is very wide and there is very little elevation change, so staff interprets the depth of flooding to be shallow, thus making this approach more plausible.

As Councilman Freeborn is Chairman of the Asheville Regional Airport Authority (Authority), he has met with him and the Airport Director to discuss this issue further. Even though the Authority is not committed at this point, there is an interest in them looking at this issue further. The process would be that if there is an interest from Council that we would look at

the strategic goals we want to accomplish, e.g., an economic benefit. We would then work with the Airport Authority to develop a Request for Qualifications (RFQ) to send to potential developers to see if there is an actual interest in developing and operating a race track at the land at the Airport. He noted that A-B Technical Community College is in the process of looking to develop a training track for their basic law enforcement training and for EMT uses. If the decision is made to move forward on this project, they have an interest in partnering with us. There is a positive economic development aspect of racing as well since there is a great deal of industry revolving around the racing community. He asked for Council's support for the City to explore this issue further of whether or not the site can be used for a race track. He thinks we owe it to the community to look at both sides of this issue, making sure this is something that would be a good neighbor and something that can be successful in this community. He feels it will provide entertainment, an economic benefit, and the opportunity for law enforcement training.

Councilman Freeborn said that he has talked with the Mayors of Mills River and Fletcher and Chairman Moyer of Henderson County to let them know Council would be discussing this issue and to inform them what is being requested. We are only asking for Council to approve staff time to develop an RFQ process. If Council agrees to that, we would want to include the surrounding municipalities in that process so that all concerns expressed are addressed in the RFQ. The area municipalities seemed supportive of that process.

Councilman Newman said that Council is not looking at this as something we would be financially supporting, but if it is something that could financially support itself and have some economic benefits, that would be his prerequisite for it happening. His main concern is the question of noise. If the proposal is looking at a process of an RFQ for people who might be interest in building a facility like this, he personally would like to have more information on the noise issue before we invite developers to spend a lot of time and money. If the facility is not a nuisance to people and is financially self-sustaining, then it would be a good facility. He would not, however, be supportive if it degrades the quality of life. It is his understanding that there is the ability to use different technology and design to help mitigate noise and he would like to see that information.

Councilman Davis said that he has talked to several people in the racing community about noise. Noise is a serious question. He has been assured that there are tracks that are working throughout the country that do a good job with noise restrictions. Racing is not a totally quiet sport, but this area has an existing fairly loud noise level and feels that noise will be below the level of what is happening there now. In the RFQ process we would outline the concerns and what we would like to see in that area (other amenities to this recreational area, e.g., walking trail).

There was a short discussion of how this blends into Council's short and long term goals in their overall Strategic Operating Plan, which was agreed upon by all of Council. Mayor Bellamy's preference would be that we look at this when we review the Plan because we need to look at this issue in the context of all Council has asked staff to do. She asked that we not direct staff to do the due diligence right now, but to let them work on what we want to accomplish this year in our short and long term goals, noting that there are 52 items on the short term list.

Councilman Davis said that he would be happy to use his own time to assemble some of this information and make it available to staff. He was looking for endorsement by Council to move forward, noting that he, Councilman Freeborn, Councilman Mumpower and Councilman Newman supported moving forward.

Mayor Bellamy suggested the process of where the community gathers the information and provides a presentation to Council, in order to give staff a starting place to move it forward.

Councilman Davis said that they already have a good committee of people assembled that have a stake in racing, along with letters from the surrounding municipalities of their concerns

and communications from the neighbors in the area. He feels they are beginning to get a base of information to present to Council, with a small amount of staff effort. He also updated Council on the commemorative memorial at the old Asheville Speedway.

Vice-Mayor Jones said that she was not interested in investing significant City dollars in a racetrack. She wondered if the Airport Authority would be willing to share or cover the costs of a feasibility study.

In response to Councilman Newman, City Attorney Oast said that he believed that any final decision regarding a race track on this property will be contingent upon approval by City Council, Asheville Regional Airport Authority and the Federal Aviation Administration (FAA).

Councilman Freeborn feels that although the FAA in the past has taken a negative stance towards usage of this property for anything other than aviation, he feels confident that we could get a different decision today.

When Councilman Newman asked if the Airport Authority has any degree of decision making on that property, City Attorney Oast said that he would have to review the Airport Agreement but he believed there is some degree of overlapping approval required by the City Council and the FAA.

In response to Councilman Newman, Councilman Freeborn said that the Airport Authority's position is that they are supportive of looking at this, as long as it doesn't cost them any money. In terms of developing an RFQ process, their preference would be to have the City take the lead on the process leading up and through an RFQ and then the Authority would take over when it gets into the Request for Proposals process.

Councilwoman Cape suggested that as this is brought forward that a little historic prospective of racing to this area be presented.

The majority of Council supported moving the process forward via a community presentation before Council.

At 5:53 p.m., Mayor Bellamy announced a short recess.

C. DOWNTOWN SOCIAL ISSUES TASK FORCE - REVISITED RECOMMENDATIONS

Urban Planner Stephanie Monson said that this is the consideration by City Council of approval on two items from the revisited recommendations by the Downtown Social Issues Task Force and policy direction on five other recommendations.

At the request of City Council, the Asheville Downtown Commission recently reviewed the Downtown Social Issues Task Force's (original) recommendations and staff's responses to those recommendations. The Downtown Commission convened a subcommittee of Task Force members and asked them to make appropriate changes by taking into account any new conditions and by paying particular attention to supplying City Council with a wider range of options.

In summary regarding panhandling, the Commission requests Council consider execution of an encroachment agreement with the Asheville Downtown Association (ADA) to assist with the implementation of the Spare Change for Real Change Program. City staff also recommends City Council execute the encroachment agreement.

In summary regarding graffiti, the Commission requests Council consider drafting a 48-hour graffiti removal ordinance and/or 48-hour graffiti removal program pilot. Based on copious evidence as outlined by the original and revised Downtown Social Issues Task Force that prompt removal is the only proven method of abating graffiti, as well as a determination by staff that such an ordinance/program is feasible, staff recommends City Council direct staff to draft both a 48-hour graffiti removal ordinance and a 48-hour graffiti removal program to enforce said program. Part of the recommendation suggests that City Council consider adding a line item in the budget to help fund graffiti removal. There are suggested alternatives regarding the 48-hour removal program/ordinance noted in the "Revisited Recommendations" below.

Staff also recommends that City Council consider providing staff with their level of interest regarding implementation of the following items:

- Increased City of Asheville participation in Housing First portion of Ten Year Plan to End Homelessness
- Adding a line item in the next budget for the Asheville Mural Project's public art element.
- Adding more specific language to the current panhandling ordinance
- Support of City of Asheville solicitation of healthcare providers, law enforcement, and judicial system to create a facility modeled on The Healing Place
- Further exploration on the feasibility of establishing a City nuisance court
- Further exploration on the feasibility of Alcohol Impact Zones (Inebriate Safety Zones) and/or alternatives.

Ms. Kitty Love, member of the Downtown Commission, and Mr. Dwight Buckner, President of the ADA, briefly reviewed the result of the Downtown Commission's review:

(Information in plain type is the original recommendations and the revisited recommendations are stated in italics.)

Original Preamble:

The following represent the recommendations of the various subcommittees of the Downtown Social Issues Task Force. This task force was created by City Council in 2002 and was made up of downtown business owners and residents, city staff, representatives of the medical and mental health professions, various public and private social welfare and service agencies, homeless individuals and advocates, and representatives from the police department and justice system. Task force subcommittees focused on particular problem areas worked from early 2003 to late summer 2004 researching both the local situation and solutions that have worked effectively in other communities. Draft recommendations on the issues of homelessness, public drunkenness, graffiti, and panhandling were then presented to representative groups of homeless individuals, social welfare workers, and downtown residents and property owners for review and comment. These final recommendations are the product of hundreds of hours of research and meetings put in by the members of the various subcommittees.

These recommendations are supported by the research documentation gathered by the subcommittees including descriptions of programs and ordinances from other cities, research on efficacy, and supporting statistics. The recommendations were intended to work together to discourage unacceptable behavior, while at the same time offering constructive opportunities for people to both help themselves and receive appropriate community support. The group was aware that many government initiatives over the last 50 years have failed to have their intended effect because initiatives conceived of as two-part efforts were only half done, i.e. in the 60's and 70's mental hospital beds were greatly reduced but the planned level of supportive community services were never created; public drunkenness was decriminalized in the 70's but the intended opportunities for treatment were never fully enacted. Many of these half-done initiatives have resulted in cities and their downtowns bearing the brunt of community-wide problems. The goal was to be fair and balanced.

The final recommendations were presented to Council with that supporting information in late summer 2004. City Council asked City Staff to evaluate the recommendations and report back to Council. The result of the staff's work is described in a memorandum from the City Planning Director dated 1/12/07. City Council has asked the Downtown Commission to revisit the recommendations and revise as appropriate for any changes or new conditions, with a particular emphasis on providing Council with a wider range of and/or more varied options. The Downtown commission requested updates or further recommendations from representatives of the Task Force. Those updated recommendations follow.

Summary of Recommendations from the Conditions Committee on Homelessness

Throughout 2003, the conditions committee of the Downtown Social Issues Task Force has engaged in conversation to develop strategies that address the conditions of homelessness that impact behavior problems in the downtown area. As our conversations evolved, it became clear that simply implementing one or two innovative strategies or programs could not "solve" the conditions of homelessness. The conditions of homelessness and the coinciding behaviors are problems that are entwined with bigger, systematic issues. Therefore, the Downtown Social Issues Taskforce (DTSITF) recommends:

1. The City of Asheville and the County of Buncombe develop a Ten Year Plan to End Homelessness that includes initial priority on the chronic homeless population, the sub-population most visibly present in the downtown area.
2. Leadership roles and positions within the steering committee be defined and;
3. Funds for staff time be allocated so that the plan can be carried out and written in a timely manner.

This was unchanged because the recommendations were followed and a Ten Year Plan to End Homelessness was created with cooperation from the County and appropriate social service agencies.

Original Graffiti Recommendations

1. Graffiti removal pilot program.

We recommend that the City of Asheville, Quality Forward, Downtown Association, private property owners, business owners, and community volunteers cooperate in removing graffiti within 48 hours of it being reported to a graffiti hotline maintained by Quality Forward. A group of trained volunteers will remove the graffiti.

We recommend that the City of Asheville, Quality Forward, Downtown Association, private property owners, business owners, and community volunteers cooperate in removing graffiti within 48 hours of it being reported to a graffiti hotline maintained by the City of Asheville. (Originally Quality Forward offered to do this but 2 ½ years have passed and momentum for this private sector solution has dissipated during the 2 ½ years of inaction.) At this time, Quality Forward is still willing to help facilitate a volunteer program or help with outside contractors. A group of volunteers could be trained to remove the graffiti. Alternatively, we suggest the city take responsibility to assist property/business owners by putting a line item in its annual budget to fund graffiti removal, via private contractor.

Reasoning: Whereas in other cities, property owners who allow graffiti to remain on their buildings receive stiff penalties, we propose a cooperative rather than punitive approach in order to relieve the burden of sole responsibility from the property owner.

2. 48-hour graffiti removal

We recommend that the City pass an ordinance that requires building owners to either remove all graffiti themselves within 48 hours of its being reported or to grant permission for their property to be cleaned by volunteers. Violations will incur a penalty of \$25 per day.

We recommend that the City pass an ordinance that requires building owners to either: 1) remove all graffiti themselves within 48 hours of its being reported or 2) to grant permission for their property to be cleaned by others (either a volunteer staff or city staff or a city contractor). Violations will incur a penalty of \$25 per day.

Reasoning: While no one wants to "punish the victim," our research indicated graffiti in a community has an adverse effect on issues of safety, tourism and economic development. Further, our extensive research indicates that insuring removal of graffiti within 48 hours is the single most effective way to abate graffiti. It may be complicated or difficult to insure removal within that time period, but if a community is serious about graffiti abatement, fast removal is key. It is a requirement that property owners remove ice from sidewalks, for example, and that they provide facilities for the handicapped, so certainly there is precedent for holding property/business owners responsible for the well-being of citizens. In every city researched that successfully abated graffiti property owners were held responsible for removing graffiti from their property with fines for non-compliance or the city did the work and in most cases billed the property owner.

3. We recommend that the City initiate education in the schools, modeled on Keep America Beautiful's "Graffiti Hurts" program. In addition, we recommend that the City create a web page describing Asheville's graffiti abatement program with a hot link to Quality Forward's website describing their role in the program.

Unchanged

4. We recommend a program of public art murals to foster development of neighborhood

ownership and pride, specifically supporting the Asheville Mural Project.

Unchanged

5. Legal Graffiti Wall

Not originally a part of the committee's recommendation, a legal wall was added to the committee's recommendations to Council following public input sessions. Upon further discussion, we recommend:

The City consider as part of a larger graffiti abatement program a legally sanctioned graffiti wall on private property.

Requirements:

1. *Such a wall would be located on private property with, of course, property owner's permission.*
2. *The Task force agrees to review proposals from those wishing to offer their space as a legal site in order to address issues that may arise such as cleanliness, maintenance, and safety.*

Reasoning: While research shows inconclusive results as to the effectiveness of legal walls as an abatement measure, there is some evidence that indicates that legal walls can provide an alternative outlet for habitual offenders. It is possible as well that the presence of a legal site can lessen the negative perceptions which fuel politically inspired graffiti.

Additional Options:

Our recommendations are above. IF City Council is strongly opposed or unwilling to follow the recommendations, it could consider some of the following:

1. *A city sponsored public relations campaign along the lines of "Keep America Beautiful" or "Don't be a Litterbug" emphasizing "Beat Graffiti - Remove it within 48 hours", with the City setting that as its policy for city-owned property and encouraging all other property owners to follow the City's lead, with fines kicking in after 7(?) or 10(?) days.*
2. *Perhaps the clean-up could be prioritized so that less stringent standards and time limits applied to graffiti not visible from a public thoroughfare.*
3. *Perhaps less stringent standards and time limits could be applied to graffiti which is particularly difficult to remove because the graffiti is inaccessible or involved some permanent alteration of the substrate (like acid etching of windows). If this course is followed there should also be more stringent criminal penalties for graffiti vandals responsible for such damage as well as a reward program for information leading to their arrest and conviction.*

A request for a City liaison (department director if possible) for the graffiti abatement program.

Original Recommendations of the Panhandling Subcommittee

1. Through the Asheville Downtown Association, work to redirect money from panhandling to the local service providers.

(a) Implement a public relations campaign that encourages downtown visitors to not give money to panhandlers and instead give money to local organizations that are working with the homeless population and working to end homelessness. The campaign would include posters in businesses' windows, articles in the papers, and radio spots. In addition, a flyer detailing available local services would encourage visitors to not give to panhandlers, but to these local service providers. There have been numerous of these campaigns in other cities, one example being called "Real Change, Not Spare Change"

(b) Place several “lock boxes” on the street in downtown to accept donations for homeless organizations in conjunction with the PR campaign. In addition, place donation boxes at participating businesses, making it convenient for folks to donate.

2. Educate District Court judges about the different kinds of panhandling happening in downtown and ask that harsher sentences be enacted for those committing fraud.

The original recommendation is unchanged because the recommendations were sound but the following elaboration on the lock-box program is provided:

Asheville Downtown Association “Spare Change for Real Change” Donation Box Proposal

The installation of donation boxes in key locations throughout downtown is seen as a key transition point in the overall implementation of the Downtown Social Issues Taskforce recommendations addressing social issues in downtown Asheville. In many ways, the panhandling program is the first transition point where the taskforces proposals addressing “conditions” which lead to various social issues integrate into programs, which attempt to control the negative behavioral consequences of poverty, homelessness, drug and alcohol abuse, and graffiti. The Taskforce was clear that we not only needed to address the conditions which lead to negative social behavior but we also have to address the behaviors themselves. The following proposal addresses the logistics involved in installing and maintaining the donation boxes. The Asheville Downtown Association has approved funding for the design and manufacture of the donation boxes. The box is constructed of quarter inch plate steel welded and assembled to look like a small home. The box will be secured with a heavy-duty padlock protected against damage. Each box will have a durable, easily replaceable sign identifying the box as a location to make donations. We originally proposed four boxes installed in key locations downtown. The four locations we originally requested were, one on Pack Square, one on Biltmore Ave., one in Pritchard Park and one in front of the Civic Center. The ADA has subsequently revised its request to add an additional location on North Lexington Ave at the corner of Walnut and North Lexington Ave for a total of five locations. The ADA believes that those key locations are the places to start. We will, of course, with your permission, gauge the effectiveness and coverage area and be ready to expand our locations as needed. As the program takes hold, the ADA also hopes to include donation centers in businesses throughout downtown on a volunteer basis. The Asheville Public Works Department has offered help with the installation and the ADA would like to request that the City provide the poles that we need to install the boxes on. We anticipate using a pole identical to the ones currently being used to mount the parking meters downtown.

The ADA is establishing precincts throughout downtown to facilitate the distribution of information to the downtown community. We anticipate that precinct captains will be responsible for the collection and maintenance of any collection boxes in their assigned area. We are providing samples of the signage on the boxes as well as the paint we anticipate using. The ADA anticipates some backlash to this program based on the level of graffiti that exists downtown as well as a somewhat natural resistance on the part of those panhandling to the existence of competition for the funds normally given to panhandlers. The design of the boxes and the signage anticipates just such activities. We anticipate that funds will be collected no less than on a weekly basis and any vandalism should be addressed within forty-eight hours by the precinct captains responsible. Once the funds are collected, the ADA plans to administer the distribution of those funds to the social welfare community through the Asheville Downtown Association Foundation, a 501-c-3 non-profit that we have established. The ADA plans to solicit matching funds from various businesses in the community on a tax-exempt basis in order to leverage the donations for a more significant impact on the conditions faced by the poor in our community. This will be the Foundations first project on behalf of the Association and we are inviting people from all areas of the community to make suggestions on the make up of our Foundation board. The Asheville Downtown Association has a one million dollar liability policy in place with the City of Asheville identified as a co-insured to offset liability concerns. Lastly, the ADA is making improvements to our public relations campaign based on our experiences so far. We expect to distribute our new poster in association with the installation of the collection boxes. We are updating our "Real Help" brochure to make it more current and we have designed a business card size handout to more easily direct panhandlers to the "Real Help" available. We hope that everyone in city government will procure brochures and/or business cards to distribute as they are approached during their daily activities downtown. The more participation we have the more effective the program will be.

Original Recommendations of the Public Drunkenness Subcommittee

The recommendations were intended to provide a unified and effective program to ameliorate the dangerous, expensive, and ineffective non-program currently represented by the "revolving door" approach to chronic public drunkenness problems. They were intended to be put into practice on parallel tracks so that the enforcement aspects of the recommendations act primarily as reinforcement for the recovery opportunities provided:

The original recommendations are largely unchanged because the Task Force felt that it was critically important that the punitive/enforcement recommendations and the treatment recommendations work together as a mutually reinforcing complementary solution. Changes are in italics.

1. Recommend that the City of Asheville petition the authority with control over existing ABC local tax collections to dedicate locally collected funds to improved detox and rehabilitation programs or, in the alternative, *if insufficient funds are available from ABC tax collections or elsewhere*, seek legislation from the state giving authority to pass a local ordinance with a ½% sales tax on beer and wine with the funds earmarked for detox and rehabilitation, or, in the alternative. *(The order was changed making ABC collections the preferred funding source.)*
2. Recommend that the City of Asheville seek legislation from the state providing Asheville City Police with regular ABC enforcement powers to allow them to deal directly with problems at or related to specific local drinking establishments such as underage drinking, fighting, public urination, and regularly serving inebriated individuals.
3. Recommend that the City of Asheville establish a Housing First program providing housing for our most difficult, chronic, and expensive to manage alcohol-dependent homeless. *(This approach is being partially implemented in partnership with MHO but additional implementation will be necessary and our understanding is that the current*

program does not deal with the most chronic cases, which was a critical feature of the Housing First program as originally described to the Task Force).

4. Recommend that the City of Asheville, in concert with the County, establish a detox/recovery center similar to the Healing Place in Raleigh or the jail-based public inebriate program in Roanoke, VA. *(It is our understanding that Neil Dobbins Center will open a Crisis Stabilization Facility (detox facility) this summer (2007) and a Community Intervention Team (CIT) with representatives from the criminal court system, police, and sheriff's office are being trained in dealing with mental health emergencies, presumably including substance abuse. In addition City staff has recommended the Healing Place model be pursued.)*
5. Recommend that the City of Asheville seek legislation from the state, which would allow the city to recognize certain Alcohol Impact Areas (similar to what's been done in Seattle and Washington State). These areas would be selected because they have consistent problems with some individuals presenting themselves in an extremely inebriated condition and thereby create significant danger for themselves and for innocent third parties because of heavy traffic and the reduced sight lines caused by many parked cars along the streets. The special restrictions for these areas would be: 1) city government would have authority to outlaw the sale of large (40 oz) beer containers and fortified wines within the Alcohol Impact Area, and 2) individuals with more than 10 convictions over any twelve month period would be prohibited from entering the Area in which they had been repeatedly arrested for one year. *(Council could reduce the number of convictions to a smaller number if this provision were viewed as too lenient or increase the number if it were viewed as too harsh.) (City staff has recommended against this proposal although no research or case law was provided to contradict the materials relied on and provided by the Task Force in making its original recommendation. Enforcement difficulties have been cited even though downtown police officers were consulted in making the original recommendation and no new information has been provided to the effect that the City Police oppose this recommendation.)*
6. Recommend that the City of Asheville pass an ordinance against possession or use of alcoholic beverages, whether open or closed, on city property or in city parks without permission from the City Parks and Recreation Director or the City Public Works Director.
7. Recommend that the City of Asheville pass an ordinance allowing the City to cancel the privilege licenses of establishments, which have, create, or attract repeated and chronic criminal activity in their immediate vicinity. Closure would be based on an objective standard such as twenty (20) separate incidents of arrests which resulted in convictions of patrons of the establishment over a 12 month period.
8. Recommend that the City Council issue a proclamation to the District Attorney's office requesting that they inform the district court judges of the seriousness of the problems and dangers to themselves and others created by chronically inebriated individuals and that the District Attorney's office seek and recommend the longest available jail sentences for repeat offenders in an effort to reinforce individual responsibility in such repeat offenders, to improve and reinforce the effectiveness of our local police, and to encourage said offenders to take advantage of recovery opportunities created by the community. *(The DTC was informed that this has been done, with additional information that the City was considering instituting a "nuisance" court.)*

Ms. Susan Griffin, Chair of the Downtown Asheville Residential Neighbors, supported (1) the ADA's Spare Change for Real Change program; (2) establishment of facilities, such as the Healing Place; (3) the formation of a Nuisance Court in Asheville; (4) the graffiti removal pilot program; (5) creating a graffiti wall; and (6) greater police presence in downtown.

Rev. Christopher Chiaromonte spoke to Council about homelessness in Asheville and spoke in opposition of the Spare Change for Real Change program.

Rev. Amy Cantrell asked the City to deepen their commitment of the Housing First model, to drop laws against panhandling, and to channel those funds for policing this ordinance into housing and justice initiatives.

Council then thoroughly discussed each recommendation by the DTSITF (and others) resulting in the following directions:

1. Committee on Homelessness

A Ten Year Plan to End Homelessness was adopted and we are addressing this issue through Community Development Block Grant funds.

2. Graffiti Removal Pilot Program - Recommendation that the City of Asheville, Quality Forward, Downtown Association, private property owners, business owners, and community volunteers cooperate in removing graffiti within 48 hours of it being reported to a graffiti hotline maintained by the City of Asheville.

48-Hour Graffiti Removal - Recommendation that the City pass an ordinance that requires building owners to either: 1) remove all graffiti themselves within 48 hours of its being reported or 2) to grant permission for their property to be cleaned by others (either a volunteer staff or city staff or a city contractor). Violations will incur a penalty of \$25 per day.

After each individual Council Member expressed their views, it was the consensus of Council to remand this issue back to City staff to further research the following, with a report back to Council in June, or sooner: re-visit those cities who have enacted this legislation and see how those regulations are holding up, if the 48-hours makes a difference, if the legislation is still in place, and if they still feel the program is successful; provide best practices data; provide information on the cost and liability to the City; request the Downtown Commission and the ADA to do a survey of how many property owners would sign an agreement of intent to have the graffiti removed within 48-hours or as soon as possible; number of graffiti artists, specifically in the downtown district; and can we put graffiti in our crime stoppers program.

Mayor Bellamy said that if, by the end of March, Council has any other questions regarding graffiti that they would like addressed by staff to refer those questions to City Manager Jackson.

3. Panhandling Subcommittee

- A. Through the ADA, work to redirect money from panhandling to the local service providers.

- (1) Implement a public relations campaign that encourages downtown visitors to not give money to panhandlers and instead give money to local organizations that are working with the homeless population and working to end homelessness.

After discussion, it was the consensus of City Council to support the implementation of a public relations campaign.

- (2) Place several "lock boxes" on the streets in downtown to accept donations for homeless organizations in conjunction with the PR campaign. In addition, place donation boxes at participating businesses, making it convenient for folks to donate.

After each individual Council Member expressed their views, it was the consensus of Council to support placing several "lock boxes" on the streets in downtown.

Mr. Buckner said that 100% of what is collected from the lock boxes is committed to be distributed to our local social service agencies.

At the request of Mayor Bellamy, Mr. Buckner said that in the Downtown Commission's annual report to City Council that information will be included each year about how much is collected from the lock boxes and given to the social service agencies.

Mr. Buckner agreed with Mayor Bellamy when she requested the "lock boxes" design be mandatory review and compliance with the Downtown Commission.

- B. Educate District Court judges about the different kinds of panhandling happening in downtown and ask that harsher sentences be enacted for those committing fraud.

After a brief discussion, it was the consensus of City Council to refer this to the Public Safety Committee to look at other alternatives to harsher sentences.

4. Public Drunkenness Subcommittee

- A. Recommend that the City of Asheville petition the authority with control over existing ABC local tax collections to dedicate locally collected funds to improved detox and rehabilitation programs or, in the alternative, if insufficient funds are available from ABC tax collections or elsewhere, seek legislation from the state giving authority to pass a local ordinance with a ½% sales tax on beer and wine with the funds earmarked for detox and rehabilitation, or, in the alternative.

As a first step, the majority of Council instructed Councilman Mumpower, as liaison to the ABC Board, to talk to the ABC Board regarding this request and report back to Council.

After said report, at this time, it was the majority of Council's desire to request City Attorney Oast to draft a resolution requesting the ABC Board dedicate some of their ABC local tax collections to improve detox and rehabilitation programs.

- B. Recommend that the City of Asheville seek legislation from the state providing Asheville City Police with regular ABC enforcement powers to allow them to deal directly with problems at or related to specific local drinking establishments such as underage drinking, fighting, public urination, and regularly serving inebriated individuals.

It was the consensus of Council to instruct the City Attorney to provide Council with a memo on what powers the City has regarding providing the Asheville Police Department with regular ABC enforcement powers.

- C. Recommend that the City of Asheville establish a Housing First Program providing housing for our most difficult, chronic, and expensive to manage alcohol-dependent homeless.

The Housing First Program has already been enacted.

Councilman Newman updated City Council on the program to date.

- D. Recommend that the City of Asheville, in concert with the County, establish a detox/recovery center similar to the Healing Place in Raleigh or the jail-based public inebriate program in Roanoke, VA. *(It is our understanding that Neil Dobbins Center will open a Crisis Stabilization Facility (detox facility) this summer (2007) and a Community Intervention Team (CIT) with representatives from the criminal court system, police, and sheriff's office are being trained in dealing with mental health emergencies, presumably including substance abuse. In addition City staff has recommended the Healing Place model be pursued.)*

This recommendation is moving forward.

Councilman Mumpower said that a Drug Commission subcommittee will be making a presentation to the entire Drug Commission about a comprehensive initiative that speaks directly to this recommendation. Mayor Bellamy asked that Councilman Mumpower advise Council Members of the date and time of this presentation.

- E. Recommend that the City of Asheville seek legislation from the state, which would allow the city to recognize certain Alcohol Impact Areas (similar to what's been done in Seattle and Washington State). These areas would be selected because they have consistent problems with some individuals presenting themselves in an extremely inebriated condition and thereby create significant danger for themselves and for innocent third parties because of heavy traffic and the reduced sight lines caused by many parked cars along the streets. The special restrictions for these areas would be: 1) city government would have authority to outlaw the sale of large (40 oz) beer containers and fortified wines within the Alcohol Impact Area, and 2) individuals with more than 10 convictions over any twelve month period would be prohibited from entering the Area in which they had been repeatedly arrested for one year.

It was the consensus of City Council to refer this to the Public Safety Committee.

- F. Recommend that the City of Asheville pass an ordinance against possession or use of alcoholic beverages, whether open or closed, on city property or in city parks without permission from the City Parks and Recreation Director or the City Public Works Director.

It was the consensus of City Council to refer this to the Public Safety Committee.

- G. Recommend that the City of Asheville pass an ordinance allowing the City to cancel the privilege licenses of establishments, which have, create, or attract repeated and chronic criminal activity in their immediate vicinity. Closure would be based on an objective standard such as twenty (20) separate incidents of arrests which resulted in convictions of patrons of the establishment over a 12 month period.

It was the consensus of City Council to refer this to the Public Safety Committee.

- H. Recommend that the City Council issue a proclamation to the District Attorney's office requesting that they inform the district court judges of the seriousness of the problems and dangers to themselves and others created by chronically inebriated individuals and that the District Attorney's office seek and recommend the longest available jail sentences for repeat offenders in an effort to reinforce individual responsibility in such repeat offenders, to improve and reinforce the effectiveness of our local police, and to encourage said offenders to take advantage of recovery opportunities created by the community.

It was the consensus of City Council to refer this to the Public Safety Committee.

5. Asheville Mural Project

Request for City Council to dedicate additional funds towards the implementation of the Asheville Mural Project as part of a budget amendment.

After discussion, it was the consensus of Council to refer this to the Public Art Board.

6. Current Configuration of Pritchard Park (safety, cleanliness, sleeping in the Park)

After discussion, it was the consensus of Council to ask the City Clerk prepare a letter to both Chairs of the Downtown Commission and the Recreation Board to establish an ad hoc committee with the charge of developing a public input process, including the input of the police officer who deals with SEPTA and including representatives of the homeless, regarding the configuration of Pritchard Park, including, but not limited to, the removal of the brick in the Park and replace it with wrought iron fencing.

In response to Vice-Mayor Jones, City Manager Jackson said that we should have the downtown public restrooms under contract within the next two weeks and after that it is a 90-day project.

7. Feeding in Pritchard Park. The feeding is occurring, however, people are not cleaning up afterwards.

The majority of Council instructed the City Attorney to look at what are the options available for regulating certain activities in Pritchard Park.

8. Proliferation of Newspaper Stands in Downtown

Economic Development Director Sam Powers said that City staff, along with representatives of the different media who utilize the stands, are working on a pilot project and he will provide Council with a report at their next meeting.

9. New Trash Cans and Recycling Cans in Business Districts

City Manager Jackson said that staff has developed some budget options and would bring those to Council in the budget process.

D. DISCUSSION OF SCHOOL BOARD

Because of the small pool of applicants for two seats on the Asheville School Board, City Council discussed re-opening up the application process for School Board candidates. It was the majority of Council's direction to instruct the City Clerk to extend the application deadline for 30 days.

Mayor Bellamy asked that if any Council Member had suggestions on other ways the City Clerk could recruit more applicants, to let her know as soon as possible.

VI. NEW BUSINESS:

A. RESOLUTION NO. 07-71 - RESOLUTION APPROVING A HOUSING TRUST FUND LOAN TO VOLUNTEERS OF AMERICA OF THE CAROLINAS FOR AFFORDABLE RENTAL HOUSING ON SPRINGSIDE ROAD

Ms. Adria Hardy, Community Development Analyst, said that this is the consideration of a resolution approving a \$445,269 Housing Trust Fund (HTF) loan to Volunteers of America of the Carolinas for the development of 63 units of affordable senior rental housing.

Volunteers of America of the Carolinas (VOAC) plans to construct 63 one- and two-bedroom apartments for the elderly on Springside Road in South Asheville. Tenants will have incomes below 60% of area median income, qualifying the project for the most favorable HTF loan terms. The terms requested are 2% annual interest-only payments with principal deferred for 30 years.

Shelter Development received a \$500,000 HTF award for this project last fall, but their national office has since decided not to pursue tax credits in North Carolina and they have withdrawn from the project. The option to purchase has been assigned to VOAC and they plan to use the same architectural plans for the development.

The total project budget is \$7.9 million. VOAC has made application for Low Income Housing Tax Credits as the major source of revenue for the project. They have also applied for \$171,961 in HOME funds. The local HTF and HOME investment will earn crucial additional points in the tax credit competition.

The application was reviewed by a panel consisting of staff and outside experts and it scored well overall, with particularly high scores for the quality of development and for long-term affordability. The developer has a strong financial capacity and much experience across the Carolinas developing affordable housing, with two projects successfully completed in Asheville in the past eight years.

The project is dependent on receiving tax credits and awards will not be made until July, 2007. However, if tax credits are awarded, it is very likely the development will proceed successfully. Housing Trust Funds will not be released prior to the award of tax credits.

The Housing and Community Development Committee reviewed the application on February 12, 2007, and recommended awarding a HTF loan in the amount of \$445,269 at the terms requested.

Pros:

- Creation 63 units of affordable housing in Asheville

- Increase the City tax base by about \$5 million
- 30 years of affordability is guaranteed through the tax credit program

Cons:

- Ties up HTF funds for several months before results of LIHTC competition are known

Staff recommends approval of a resolution approving a \$445,269 Housing Trust Fund (HTF) loan to Volunteers of America of the Carolinas for the development of 63 units of affordable senior rental housing.

Ms. Hardy responded to various questions from Councilman Mumpower, some being, but are not limited to: what percentage of dollars for this project is coming from the federal, state or local government; is any money coming directly from the developer; what are the amenities this project is proposing; and how will the loan be repaid.

Councilman Mumpower said that it is hard to speak against housing for the elderly; however, he felt this is a use of taxpayer dollars to create a fairly elaborate style of living for only a very limited number of people in the community.

Mayor Bellamy said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilman Freeborn moved for the adoption of Resolution No. 07-71. This motion was seconded by Vice-Mayor Jones and carried on a 6-1 vote, with Councilman Mumpower voting "no."

RESOLUTION BOOK NO. 30 - PAGE

B. CAPITAL FINANCING ALTERNATIVES

Chief Financial Officer Ben Durant said that the purpose of this report is to provide general information about: 1) the General Obligation Bond Referendum process and City's current debt capacity, and 2) the Chamber of Commerce's half-cent sales tax proposal that is being considered in the State Legislature.

GO Bond Referendum History

The following chart shows the City's GO bond referendum history and results over the last 30 years:

<u>Year</u>	<u>Project(s)</u>	<u>Amount</u>	<u>Vote</u>
1981	Parking Bonds Redevelopment Bonds	Not available	No (64%) No (63%)
1986	Street & Sidewalk Bonds Education/Arts/Science Center Bonds	\$17,000,000 \$3,000,000	Yes (68%) Yes (62%)
1989	Water Bonds	\$40,000,000	No (61%)
1999	Parks, Recreation and Greenway Bonds	\$18,000,000	No (53%)

Current Debt Capacity

To help decide how much debt to issue, it is necessary to look at bond or debt ratios. Numerous ratios are available for measuring local debt burden, but the most frequently used are:

- Debt per capita
- Debt as a percentage of assessed valuation
- Annual debt service on net debt as a percentage of general fund revenues or spending.

Asheville currently has a low *debt per capita* relative to the North Carolina population peer group average. He explained that Asheville's debt per capita is approximately \$315 compared to a peer group average of \$630. He also explained that the average *debt to assessed valuation* for Asheville's North Carolina peer group is 0.813% compared to Asheville's ratio of approximately .035%.

In addition, he explained that the median *debt service as a percentage of revenues* for North Carolina cities & towns with a bond ratings of Aa2 (Asheville's current rating) is equal to 8.2% compared to Asheville's ratio of approximately 5.8%.

All three of the aforementioned ratios show that Asheville has good debt capacity relative to its population or bond rating peer groups.

Current Debt Retirement Schedule

Mr. Durant explained the current debt service retirement schedule for general fund supported debt and the estimated funds that will become available resulting from a cumulative decline in our existing debt service over the next several years. A chart showed that in subsequent years the City will have the potential to issue new debt without increasing our current debt service contribution over current Fiscal Year 2007 levels.

Potential Bond Schedule

He explained to showed Council a draft schedule for a general obligation bond referendum to be held in November 2007. North Carolina General Statutes set forth specific timing requirements that are reflected in the schedule. The reason that the schedule starts so early (late July) is that the City will have to give the Board of Elections enough lead time to be able to have absentee ballots available 50 days before the election.

It is important to note that before Council actions start on this schedule, the City will have to know the amounts and specific projects/purposes to be voted on. This means that between now and July, some type of process that includes community input and support building will need to take place that defines the City's capital improvement and bond referendum priorities.

It is also important to note that the statutes require that each category of items (projects) be voted on in separate questions on the ballot. For example, we can combine all street & sidewalk construction into one question and all park and recreation related projects in another question and public safety facilities in a different question, each one asking voters to approve a specific amount for that category. We cannot, on the other hand, combine streets and parks in one ballot question for an up or down vote.

The Bond Orders referred to on the schedule are essentially the ballot question. The Bond Orders determine the scope on which the City is allowed to use the money authorized by the bond referendum. The Bond Orders can be drafted as generally as possible to provide flexibility within a category of projects or they can be drafted specifically so that the GO money that is authorized can only be used for a specific purpose (or anywhere in between). Most prefer to draft the question broadly, but discuss specific projects during the process to educate voters about the referendum.

Chamber of Commerce's Half Cent Sales Tax Proposal

There is currently Chamber of Commerce interest in the North Carolina State Legislature authorizing an additional half-cent sales tax in Buncombe County. The proceeds from this additional half cent sales tax would be dedicated to funding infrastructure improvements county-wide and would be divided between the County and all of the municipalities based on population. Five-year county-wide and City of Asheville revenue estimates are provided in Table 1 below. He also said that there is an analysis from the Chamber of Commerce detailing the impact of the additional sales tax on different consumer income groups.

Table 1
Buncombe County
½ Cent Sales Tax (including food)

Year	County-Wide	City of Asheville
FY08	\$18,389,202	\$6,139,716
FY09	\$18,940,878	\$6,323,907
FY10	\$19,509,104	\$6,513,625
FY11	\$20,094,377	\$6,709,033
FY12	\$20,697,209	\$6,910,304

Based on these estimates, the City would receive approximately \$6.1 million in Fiscal Year 2007-08 in additional revenue that could be dedicated to capital and infrastructure improvements. This amount of funding would afford the City the opportunity to significantly enhance its capital improvement program. By way of comparison, the City's current Fiscal Year 2006-07 General Fund capital improvement program includes \$3.07 million in pay-as-you-go funding; so an additional \$6.1 million would allow the City to more than double its pay-as-you-go funding. Alternatively, the City could leverage all or a portion of the additional \$6.1 million in sales tax revenue and issue debt to further expand the capital improvement program. Six million dollars in available debt funding would generate between \$50 and \$60 million in bond proceeds, depending on several factors such as the type of bonds issued, interest rates, issuance costs, etc.

The Chamber of Commerce has requested formal feedback from City Council on this half-cent sales tax proposal, as well as specific examples of the City's major infrastructure needs. Examples of infrastructure needs that should be considered by Council include the following: 1) Public Safety (police & fire substations, training facilities); 2) Sidewalks; and 3) Public/Affordable Housing Development Programs.

City staff requests City Council provide staff with further direction or requests for analysis.

Mayor Bellamy asked if Council would be open to starting the discussion about the possibility or feasibility of a bond referendum for our community to vote on some of the needs that we have.

Councilman Newman feels that we should look at each of the infrastructure areas individually because bonds might not be the most effective strategy in all areas. He spoke in favor of more public investment in sidewalks and greenways. But in those areas there are other financial strategies that he would prefer to look at first, before bonds. He and Councilman Freeborn have been encouraging the Metropolitan Planning Organization to make the decisions on where the funding we get from the state will be used. They basically decided to allocate upwards of \$3 Million a year for local projects for every year between 2009 and 2015 and sidewalk and greenway projects are the kinds of projects they will be looking for. So if the City

made a commitment to fund sidewalks and greenways every year between 2009 and 2015, we might get a 3, 4, or 5-1 match on our increased investment for those things.

Councilman Freeborn felt it might be beneficial for the Parks & Recreation Foundation to make a presentation before Council to discuss what their vision is and what kind of dollar figures they would need to be able to leverage additional money.

Councilwoman Cape felt that we need to know exactly the nature and timing of whatever issue we are interested in taking to the public in a bond referendum. It's important that the people understand the exact nature of what we are asking them to pay for. She felt it's easy to lose the vote if you don't have the time to educate the people with clear and concise information. She needed more information on the relationship between the pay-as-you-go results that can be achieved or if we are going to get a bunch of money at once, how many projects can we really do.

Councilman Davis was concerned with a menu of items, without hearing a big resident cry from the community of what they want.

Councilman Mumpower opted for a pay-as-you-go approach and felt we need some real compelling reasons to incur the debt.

Vice-Mayor Jones explained why she thinks this is too short of time period for the City to be successful in a bond referendum. She is very appreciative of our MPO members to identify this money for sidewalks and greenways.

Mayor Bellamy felt that the need to re-tool public housing in order to eliminate concentrated poverty is going to require additional money. She did not think that pay-as-you-go will get it done. She would like to see the City move forward on a bond referendum for that. Even in situations where cities are able to get a HOPE 6 grant, the city also has to contribute quite a bit of money. As far as Parks & Recreation Foundation, she is open to supporting a bond referendum for them. She felt we need to start setting some parameters about the dialogue and where we are going to go, noting that the education component is very important. She will continue to put before Council the issues that need addressing and our sidewalks are a significant issue. She will continue to get information requested about timing and the relationship about pay-as-you-go. During this budget process Council will be able to see the capital improvement needs that our City is facing. She will provide Council with that data and then Council can make a determination on what or what not to do.

Councilman Freeborn supported more conversation taking place on a synthetic HOPE-6 type project; sidewalks; and parks and greenways.

Councilwoman Cape needed more specific information on the individual projects, e.g., what do they look like, what is the timeframe, etc. She was also interested in receiving information on what other kind of bond initiatives can be used for different projects.

Mayor Bellamy said that for large projects she wants to make sure that we have community support and buy-in to make that happen.

The majority of Council gave Mayor Bellamy direction to start obtaining information in order for Council to make the best decisions regarding a bond referendum.

Mr. Rick Lutovsky, President and CEO of the Asheville Chamber of Commerce, said that discussions with Council has been occurring about the proposal of implementation of 1/2 cent sales tax in anticipation of the State giving up their 1/2 cent. Four years ago the Chamber took the position in favor of the 1/2 cent sales tax if the State gave up their half, and if we received from the City and County their anticipated uses of the funds. Four years ago the City was interested in utilizing their amount (approximately \$4.5 Million) on the Civic Center. Nothing has

happened with the State up until last year, when they gave up their 1/4 cent. The other 1/4 cent is supposed to be decided this year. Our intentions were to look at a funding source that would be sustainable and would allow the City and the County and other units of government to do some of the things we need to do in this community.

Mayor Bellamy explained that the City of Asheville's sales tax, the portion that we receive, is based upon our tax rate and the Chamber's proposal is based on a specific per capita. Mr. Lutovsky noted that the per capita formula that the Chamber has developed is more favorable towards the units of government within the county.

Mayor Bellamy said that the Chamber has requested formal feedback from City Council on specific examples of the City's major infrastructure needs we would consider using our funds for. Her personal projects would include re-tooling public housing, sidewalks and public safety training facilities.

Councilman Newman said that City Council has voted previously that we are opposed to a new sales tax. In talking with some other Council Members in the last few days, he heard some common ground around some ideas of possible ways to look at this. He offered two resolutions. Resolution No. 1 would be that City Council opposes a sales tax as a stand-alone policy. City Council affirms its opposition to a new local sales tax due to the deeply regressive nature of the tax. People earning between \$15,000-\$25,000 are required to pay three to four times more of their income for a sales tax than people in the upper 5% bracket. According to the N.C. Employment Security Commission, there are more than 27,000 jobs in the Asheville metro area that pay, on average, \$10 per hour or less, meaning they make \$22,000 per year or less for full-time work. Placing an additional regressive tax on these 27,000 workers in our community would drive more working families into poverty. Resolution No. 2 would be that City Council supports a comprehensive tax equity agreement for our community and settlement of the Sullivan Act dispute out of court. City Council could only support an additional sales tax if a significant percentage of the new resources are directed towards programs that directly reduce poverty and support low-wage, working families and if it is tied to an overall tax equity agreement. Asheville would support a new sales tax only under the following conditions: (1) grocery sales are removed from the sales tax, making it somewhat less regressive. This reduces the revenue projections by about 30%; (2) the per capita formula is used for distribution of revenues; (3) at least 30-40% of the sales tax revenues must be earmarked for programs and services that directly support low-wages workers and poverty reduction efforts, such as affordable housing, child care for working families, transit services, or other programs to boost wages for low income workers. From a fairness standpoint, a regressive tax can only be justified if a larger percentage of the resource directly benefit low income families; (4) Asheville is allowed to use a 1% hotel occupancy fee (either from an increase or the existing revenues) for renovation of the Asheville Civic Center. If the working poor are being asked to pay more, so should the wealthy tourists who visit Asheville; and (5) the Sullivan Act litigation is settled out of court: (a) Asheville agrees to no differential water rates; (b) Asheville agrees to no diversion of water funds to other purposes; (c) the County pays Asheville \$4-\$5 Million annually in tax equity. This could be a direct payment for specific projects/programs; and (d) Asheville has the authority to annex new developments proposed within one-half to one mile of the City limits in order to receive water services, as all other cities can do.

Councilwoman Cape felt this is another attempt on our part to try to work with the County. She was specifically interested, should we make this arrangement with the County and move forward, that we look for specific ways to do bonding around housing, transportation and look for creative ways at how we can really alleviate the financial burden to the people we are asking to pay more.

Councilman Mumpower said that not everyone agrees that a sales tax is a regressive tax, but a consumption tax is one of the fairest taxes. He wondered why we are considering any tax increase since he has heard nothing from this Council about supporting a tax increase. He hears

no compelling need, but just wants. Before he would consider any tax increase, he thinks there should be an effort to look hard at where we can cut costs and show some kind of restraint to the people that are paying the taxes.

Vice-Mayor Jones explained that sales tax makes people with less pay a larger proportion of what money they have.

Vice-Mayor Jones moved to adopt Councilman Newman's Resolution No. 1 above stating that City Council opposes a sales tax as a stand-alone policy. This motion was seconded by Councilman Newman and carried on a 4-3 vote, with Vice-Mayor Jones, Councilwoman Cape, Councilman Freeborn and Councilman Newman voting "yes" and Mayor Bellamy, Councilman Davis and Councilman Mumpower voting "no."

Mayor Bellamy asked that Council break the complex issues down in Resolution No. 2 and deal with them one by one. City Attorney Oast said that Council will need a motion to divide a complex issue.

Councilman Newman moved to adopt his Resolution No. 2 above stating that City Council supports a comprehensive tax equity agreement for our community and settlement of the Sullivan Act dispute out of court. This motion was seconded by Councilwoman Cape.

Mayor Bellamy asked Councilman Newman why he was not agreeable to dividing the motion so that individual Council Members could support an individual condition. Councilman Newman responded that the argument for keeping the issue together, since we weren't supportive of the sales tax, is that that we are providing some positive outcomes to counteract the negative implications, so that there is enough positive stuff in the package that we can tolerate the tax.

Councilwoman Cape's understanding is that Resolution No. 2 says that we would like to go to the table with the County Commissioners and our State legislators and say this is where we are starting from as a body.

Mayor Bellamy said that when we have large issues in previous discussions, especially when we are dealing with issues of other bodies, because of the importance, we have gone through and allowed people to have some say so. This is either all or nothing. This impacts not only this Council but future Councils. So if you don't support a little bit of it, you are basically muted at the table when we talk about issues with the County.

Councilman Freeborn moved to divide this complex issue. Said motion died for a lack of a second.

Councilwoman Cape asked City Attorney Oast if we adopt Resolution No. 2, in conjunction with the Sullivan Act litigation, does it give us the opportunity in closed session to talk about our negotiating position on these items as they are linked to the litigation of the Sullivan Acts. City Attorney Oast felt it was possible to receive legal advice with respect to our position on the Sullivan Acts litigation in closed session. We have talked about all these matters with the County openly and assume Council is willing to continue to do so.

At the suggestion of Mayor Bellamy, Councilman Newman supported amending No. 4 in Resolution 2 to read: "(4) Asheville is allowed to use a 1% hotel occupancy fee (either from an increase or the existing revenues) for renovation of the Asheville Civic Center and/or other public venues, e.g., the performing arts center."

At the suggestion of Mayor Bellamy, Councilman Newman supported amending No. 5 (c) in Resolution 2 to read: "(c) the County pays Asheville \$4-\$5 Million annually in tax equity with the specific uses to be determined."

Mayor Bellamy supported removing grocery sales from the sales tax. She supported the per capita formula being used for distribution of revenues. She supported using a portion of the sales tax revenue being earmarked for programs and services that directly support low wage workers and poverty reduction efforts and would like to see those funds even leveraged more by additional bond capacities. She supported Asheville being allowed to use the existing 1% hotel occupancy for the renovation of the Civic Center as well as the performing arts center. And, she supported the City settling the Sullivan Act litigation out of court (without supporting delineating what the settlement would be).

As the Council Member who seconded the motion to adopt Resolution No. 2, Councilwoman Cape said that she would be fine with removing the points delineating what the settlement of the Sullivan Act litigation would be. Councilman Newman said that he would not be willing to remove the points.

After two more failed tries to re-tool the language on the tax equity bullet, the motion made by Councilman Newman and seconded by Councilwoman Cape carried on a 5-2 vote, with Mayor Bellamy and Councilman Mumpower voting "no."

VII. OTHER BUSINESS:

VIII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Rev. Christopher Chiaronmonte spoke about the lack of concern the City has towards the homeless.

Ms. Karen Speed, Chairman of the Board of Directors of the Buncombe County Rescue Squad, said they are a local private non-profit 501 (c) (3). They are governed by a non-compensated Board of Directors. She said that Council Members should have received a mailed request for possible financial support for their organization. She asked to be placed on the April, 2007, City Council agenda to publicly present their request for financial assistance from the City. She learned today from Mayor Bellamy of the outside agency grant process, noting that the deadline is January. She will be contacting Chief Financial Officer Ben Durant about that process. She asked if there are any other alternatives to that process to expedite their receiving funding. If so, she would like to investigate those avenues. Mayor Bellamy said that she is pursuing this request with the City Manager.

IX. ADJOURNMENT:

Mayor Bellamy adjourned the meeting at 10:30 p.m.

CITY CLERK

MAYOR